(b) if so, the details thereof; and

(c) since when the decision is going to take effect?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Companies incorporated in Mauritius and having their place of effective management in India are laible to tax in India under the Double Taxation Avoidance Convention (DTAC) between India and Mauritius. Central Board of Direct Taxes (CBDT) had earlier issued a Circular No. 789 dated 13.4.2000 to clarify provisions regarding taxation of income from dividends and Capital Gains under the Indo-Maurities DTAC. This Circular also specified that the certificate of residence issued by the Mauritian authorities should be regarded as sufficient proof of residence of an entity in Mauritius. To remove any doubts regarding the effect of Circular No. 789 dated 13.4.2000, CBDT issued another Circular, No. 1/2003 dated 10.2.2003, wherein it has been clarified that where it is found as a fact that a company has its place of effective management in India, then notwithstanding its being incorporated in Mauritius, it would be taxed in India as per Indo-Mauritius DTAC.

(c) The Circular No. 1/2003 dated 10th February, 2003 merely clarifies the provisions of Indo-Mauritius DTAC which is effective in India from 1st April, 1983.

World class Tourism Products

*292. SHRI PREM CHAND GUPTA: Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether it is a fact that the World Travel and Tourism Council has identified India as one of the world's foremost tourist growth centres in the coming decade; and

(b) if so, what steps Government propose to take to provide exclusive world class tourism products and destinations to realise enormous potential in tourism and to compete successfully for a larger share of the world tourism market?

THE MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN): (a) Yes, Sir.

(b) With a view to providing an elevating image of India's culture and promoting healthy and sustainable tourism during the Tenth Five Year Plan, the Ministry of Tourism and Culture has drawn up proposals to develop hubs which synthesize the elements of culture, tourism and clean civic life. There would be at least one such hub in every State and Union Territory. Under this plan, both destination and domestic tourism is being promoted. An aggressive campaign has also been launched to promote and market India as an attractive tourist destination.

Landing rights to foreign carriers

*293. *SHRI PRITHVIRAJ CHAVAN: Will the Minister of CIVIL AVIATION be pleased to state:*

(a) whether it is a fact that there is a large shortage of airline seat capacity during the peak winter season, particularly due to inadequate fleet strength with domestic carriers; and

(b) if so, whether Government will consider a liberal, long-term policy of granting landing rights on reciprocal basis to foreign carriers?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) Though generally the world over on any sector, it is difficult to get seat easily during the peak season, it is not correct to say that there was severe shortage of airline seat capacity during peak winter season for air travel between India and different countries. In fact, as compared to winter 2001, different airlines have deployed 5324 seats per week more on international sectors during winter 2002. Out of this, Air India and Indian Airlines have deployed 4461 additional seats per week on international sectors. Besides, foreign airlines have been allowed to deploy additional capacity as per demand under the Open Sky Policy of the Government during the peak winter season effective 1st December, 2002. Foreign airlines have deployed 20215 additional seats so far under this policy.

(b) Traffic rights on different sectors are reviewed from time to time with concerned countries and, keeping in view the tourism and economic interests of the country and long term interest of the national